

FY27 Budget Update

November 12, 2026 | BART Board of Directors Meeting

Unofficial Election Results



- Measure RTM's outcome must be reported by counties to the Secretary of State by December 3 and certified at the state level by December 11
- As of this presentation's mailing to the Board (11/6), the measure is leading with 62% of voters approving out of 1.16M votes counted
- At this time, staff are assuming the measure has passed and the following slides include revenues authorized by the measure

Looking Forward

Continue to Deliver World Class Transit & Grow Ridership



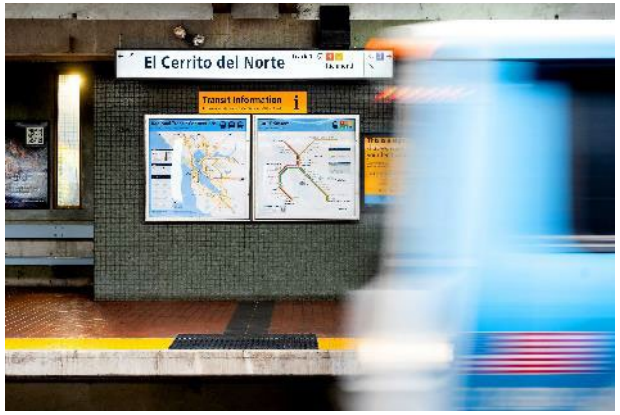
Safety & Security



Cleanliness

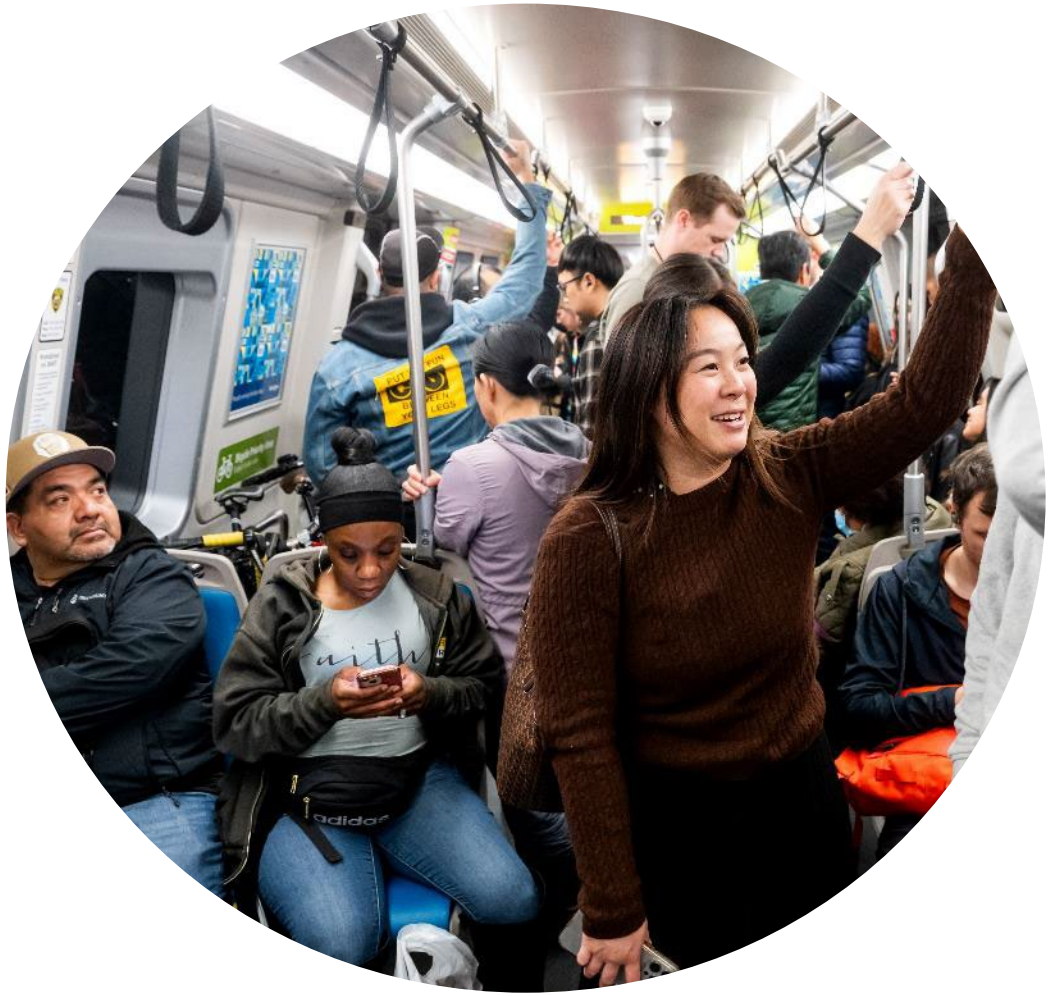


On-Time Performance



Making Transit Easier

Agenda



Ensure Financial Stability

- Financial Projections
- Financial Efficiency Review
- Liquidity Strategy

Upcoming Budget Milestones

Financial Stability

Financial Projections: Executive Summary

- **Regional Measure provides sustainable operating revenue** to replace ridership revenues impacted by the COVID-19 pandemic; this is a major financial milestone for BART
- **The regional revenue source sunsets in 14 years**; BART must use this window to work toward long-term financial stability
- **Ridership recovery has exceeded expectations in FY27**, driving above-budget operating revenue
- **Manageable operating deficits remain**; staff is committed to eliminating them without impacting service quality or customer experience
- **BART is committed to the second phase of MTC's Financial Efficiency Review (FER),** and to implementing its recommendations, as required by SB 63
- **Uncertainty remains;** risks include the economic climate, cost pressures, and potential regional measure litigation

Financial Projections: Operating Revenue

($M)	FY27 Adopted	FY28 Projected	FY29 Projected	FY30 Projected	FY31 Projected
Rail Passenger Revenue	308.0	340.8	356.1	375.5	395.0
ADA Passenger Revenue	0.7	0.7	0.7	0.8	0.8
Parking Revenue	22.4	22.9	23.9	24.7	25.5
Other Operating Revenue	55.6	36.5	20.0	20.7	21.4
Subtotal - Operating Revenue	**386.7**	**400.9**	**400.7**	**421.7**	**442.7**

- Ridership projected to grow 3.3% annually; factoring in continuation of BART's inflation-based fare increases, fare revenue is projected to grow 5% annually over the same period

- Investment revenues are projected to return to more modest levels in FY29, after several years of higher returns generated from higher cash balances

Financial Projections: Financial Assistance

($M)	FY27 Adopted	FY28 Projected	FY29 Projected	FY30 Projected	FY31 Projected
Sales Tax Proceeds	327.2	340.7	352.2	364.6	376.2
Regional Revenue Measure Proceeds	74.4	307.5	317.8	328.4	339.4
Property Tax Proceeds	70.4	71.6	73.4	75.2	77.1
VTA Financial Assistance	45.7	48.9	50.3	51.2	51.9
MTC Assistance – Clipper START Pilot	2.7	3.2	3.4	3.6	3.7
Local & Other Assistance	13.5	13.6	13.8	14.0	14.2
State Transit Assistance	38.5	42.2	45.0	47.9	50.3
Low Carbon Transit Operations Program	7.0	2.7	2.7	2.7	2.7
Low Carbon Fuel Standard Program	24.3	25.9	25.3	24.6	24.0
Subtotal - Financial Assistance	**529.4**	**856.3**	**884.0**	**912.2**	**939.5**

- With regional measure revenue, 56% of BART's operating budget will depend on sales tax; this represents a shift compared to the pre-pandemic era, when fare revenue covered 60-70% of operating expense
- Recent state policy changes reduce Low Carbon Transit Operations Program (LCTOP) revenues from FY28 on

Financial Projections: Operating Expense

($M)	FY27 Adopted	FY28 Projected	FY29 Projected	FY30 Projected	FY31 Projected
Wages	568.8	590.9	609.7	626.5	643.7
Benefits	148.4	159.1	168.3	175.1	182.2
Retiree Medical	9.3	50.0	50.9	51.4	52.0
PERS Pension	57.9	60.1	60.8	61.7	61.9
PERS Unfunded Liability	97.2	98.2	100.9	106.7	103.0
Workers Compensation	26.0	27.5	29.2	30.9	32.8
Overtime	84.3	86.0	87.8	89.5	91.3
Reimbursements	(188.3)	(177.7)	(180.5)	(186.3)	(190.3)
Subtotal - Labor	*803.7*	*894.3*	*927.1*	*955.5*	*976.7*
Power	69.8	72.7	75.1	76.6	78.2
Purchased Transportation	36.7	37.4	38.2	38.9	39.7
Other Non-Labor	153.7	157.7	161.9	164.0	168.4
Subtotal - Non-Labor	*260.1*	*267.8*	*275.1*	*279.5*	*286.3*
Total Operating Expense	**1,063.8**	**1,162.1**	**1,202.2**	**1,235.0**	**1,263.0**

- Health insurance premiums drive Benefits growth
- Retiree Medical and PERS sourced from actuarial projections
  - *Note: FY27 operating contribution for Retiree Medical is budgeted in Allocations*
- Workers Compensation grows 6% a year based on past growth actuals
- Most Non-Labor costs grow approximately 2% per year except Power and biennial election expenses
- Projected increases to transmission & distribution rates drive Power costs

Financial Projections: Debt Service & Allocations

($M)	FY27 Adopted	FY28 Projected	FY29 Projected	FY30 Projected	FY31 Projected
Bond Debt Service	60.2	60.3	51.2	62.9	62.9
State Loan & TIFIA Debt Service	14.3	0.0	2.6	5.2	5.2
Subtotal – Debt Service	*74.5*	*60.3*	*53.8*	*68.1*	*68.1*
Capital Reinvestment	16.0	30.6	31.6	32.5	33.5
Priority Capital Programs	0.0	29.6	33.6	33.6	33.6
Other Allocations	3.0	3.0	3.0	3.0	2.9
Retiree Health Benefits Trust (RHBT) Deferral	33.8	0.0	0.0	0.0	0.0
Subtotal – Allocations	*52.8*	*63.2*	*68.1*	*69.1*	*70.0*
Total Debt Service & Allocations	**127.3**	**123.5**	**121.9**	**137.2**	**138.0**

- BART accepted a state loan in FY26 and the Adopted FY27 Budget includes $88.5M in TIFIA borrowing
  - State Loan debt service is $14.3M in FY27 (largely offset by interest income on the principal) and assumed in current projection to be fully returned to the State before FY28
  - TIFIA repayments begin in FY29 at $2.6M, increasing to $5.2M from FY30-FY33, then ~$7M from FY34-FY59
- RHBT deferral will be transferred to the RHBT upon receipt of regional revenue measure funds
- Priority Capital Program has not been funded since FY24

Financial Projections: Summary

($M)	FY27 Adopted	FY28 Forecast	FY29 Forecast	FY30 Forecast	FY31 Forecast
Operating Revenues	387	401	401	422	443
Financial Assistance	529	549	566	584	600
Regional Transit Measure	(see below)	308	318	328	339
Total Regular Sources	**916**	**1,257**	**1,285**	**1,334**	**1,382**
Operating Expense	1,064	1,162	1,202	1,235	1,263
Debt Service & Allocations	127	124	122	137	138
Total Uses	**1,191**	**1,286**	**1,324**	**1,372**	**1,401**
Operating Result	**(275)**	**(28)**	**(39)**	**(38)**	**(19)**
FY27 Budget Balancing Actions: FY26 Carry Forward	52	-	-	-	-
Sales Tax Accrual Change	60	-	-	-	-
Borrowing	89	-	-	-	-
Regional Revenue Measure (FY27 Q4 Only)	74	-	-	-	-

**Numbers may not sum due to rounding*

SB 63 Financial Efficiency Review Phase 2



- **Scope:** A third-party consultant (managed by MTC) will identify further cost-saving measures, redevelopment opportunities, and regional strategies to maximize non-farebox revenues and asset values

- **Accountability:** Adoption of the findings and menu of cost-saving strategies will be a condition of receiving financial support from the regional measure, with annual monitoring by MTC and the Independent Oversight Committee

- **Timeline:**
  - MTC will post the RFP for the consultant after election results have been certified
  - Analysis will begin in February 2027 and continue through the end of calendar 2027
  - BART's draft implementation plan will be submitted in June 2028 and adopted in August 2028

Liquidity Strategy

- BART anticipates repaying borrowed funds as soon as feasible
- Adopted FY27 Budget assumes $88.5M in borrowing, and staff plans to continue with liquidity sequencing as described to the Board in April 2026 and included in the Adopted Budget
- Per FY27 Budget Resolution, better results from FY26 and in FY27 will be used to reduce borrowing and reduce long-term operating costs
- BART would draw on borrowed funds to maintain service levels if there is a legal challenge to Measure RTM

Upcoming Budget Milestones

- December 2026: FY27 Q1 Financial Report
- February 2027: Kick off Financial Efficiency Review (FER) Phase 2
- February 2027: Board Workshop
- March 31, 2027: Preliminary FY28 & FY29 Budget
- April 2027: Preliminary Budget Overview
- May 2027: Budget Sources & Uses
- June 2027: FY28 & FY29 Budget Adoption





Discussion